



City of Aumsville

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AUMSVILLE CITY COUNCIL *VISIONING SESSION MINUTES* **JULY 25, 2016**

Council President Robert Baugh, Jr. called the meeting to order at 7:03 pm in the Aumsville Community Center, 555 Main Street, Aumsville, Oregon. Council present were Councilors Nico Casarez (arrived at 7:14 pm), Brian Czarnik, Trina Lee (arrived at 7:04 pm), Della Seney, and Lorie Walters. Council absent was Mayor Harold White. City Administrator Pro-Tem (CA) Dave Kinney and Administrative Assistant (AA) Lora Hofmann were also present.

PRESENTATION: Councilor Baugh presented Staff Longevity Awards. He presented longevity awards to the following persons:

Reserve Officer Christopher Chabot	5 years of service
Sgt. Damian Flowers	10 years of service
Police Chief Rick Schmitz	20 years of service
Jim Reed, insurance agent	25 years of service

Councilor Baugh thanked each person for their devotion and commitment to the community and citizens of Aumsville.

CONSENT AGENDA: CA Kinney shared the details of the latest conversations with Ron Harding, the top candidate for the City Administrator position. He briefly explained the changes made to the city administrator contract compared to the original contract offer extended by the City. If the contract is approved and Mr. Harding complies with the terms of the offer, he will begin work for the City on August 22, 2016.

The consent agenda items presented are:

- Ratification of City Administrator Contract
- Approve A RESOLUTION AUTHORIZING SIGNATURES ON THE CITY OF AUMSVILLE TRUST ACCOUNT
- Approve June 27, 2016 ACC Regular Meeting Minutes

Councilor Seney noted an omission in the June 27th minutes. On page 3, the motion at the bottom of the page should be corrected to add the results of the council vote. The correction should read: *Councilor Lee made a motion to authorize the City Administrator Kinney and Mayor White to negotiate and execute a Fund Exchange Agreement with the Oregon Dept. of Transportation for the Aumsville Elementary School Sidewalk project. The motion passed unanimously.*

Councilor Casarez made a motion to approve the consent agenda with corrections to the June 27th meeting minutes. Councilor Czarnick seconded the motion. The motion passed unanimously.

VISIONING: Chapters 1 – Water and Chapter 2 – Sewer

CA Kinney explained the Water Master Plan was updated in 2015. It includes \$1,689,000 in priority 1 projects that are scheduled for completion in the next five years by 2020. Projects include the Water Tower well rehab, seismic upgrades to the Water Tower, repair and recoating the interior of the 1.0 MG water reservoir, purchase of an emergency generator for the pump station next to the reservoir and water main improvement projects.

Public Works Director Steve Oslie explained the need for the 1.0 MG reservoir recoating. He explained there is rust in the upper portion of the reservoir. CA Kinney explained that the problem rust can eventually cause pitting in the steel. If you recoat the steel tank it should last another 50 to 75 years. There was discussion of the Oregon Health Authority's recommendations to only fill the tank about three quarters of the way full to protect the structural integrity of the reservoir and minimize damage in case of an earthquake.

The Council discussed funding options for water system improvements. Funds for retrofitting of water lines in current neighborhoods need to come from the water fund; these projects are not eligible for use of SDC funds. CA Kinney explained some of the financing options. To qualify for grant assistance from the Oregon Infrastructure Finance Authority (IFA), the city has to have competitive water rates with other communities in the state. They have decided that statewide average water rate is approximately \$45 per month for a water customer using 7,500 to 8,000 gallons per month. The City of Aumsville charges approximately \$36 per month for an average residential customer.

Councilors Seney and Czarnick noted that the City Council has previously discussed financing a water improvement project with former city administrator Maryann Hills and Ed Tabor, one of IFA's finance officers. The council then reviewed their prior discussions on financing and rate increases.

CA Kinney and Public Works Director Steve Oslie then reviewed recent sewer project recommendations from City Engineer Jim Schuette. Mr. Schuette is working on a 5-year update of Sewer System priorities. There are approximately \$2.5 million in Priority 1 sewer projects:

1. **Public Works Lab Expansion.** Expanding the Public Works lab is the #1 project

and Director Oslie explained the need and the staff plans to expand the current lab building. He believes city staff can do the construction as an in-house project.

2. **Aeration capacity and effluent filtration.** The existing lagoons need improvements to add 3-4 aerators and upgrade the effluent filtration system to reduce algae levels and keep the lagoons functioning properly.
3. **Chlorination/dechlorination.** The chlorination/dechlorination system needs a major overhaul and expansion. Director Oslie explained that you have to chlorinate the treated effluent prior to discharge into Beaver Creek or use in the spray irrigation system to make sure the "bugs" are gone. The treated effluent must then be dechlorinated to make sure the water is healthy for fish. Beaver Creek has been identified as an "essential salmon/steelhead stream" by ODFW.
4. **Sewer Main upgrades.** Director Oslie identified and explained the priority sewer main upgrades on 1st, Del Mar and Olney Street. Mr. Kinney indicated SDC funds can be used for a portion of the sewer upsizing that is needed to serve new growth. The Council also discussed ongoing system maintenance, I/I investigations and repairs and manhole rehabilitation.

Director Oslie discussed the state of the existing lagoons. They have accumulated a 2' layer of sludge on the bottom of the current ponds. The ponds were originally constructed (oldest in 1961). With the accumulated sludge, the water depth is about 4' deep. Cleaning and removing sludge is recommended every 20-30 years. Before the City cleans the ponds and removes sludge, the City's consulting engineer will need to prepare a "bio-solids management plan" for approval by DEQ.

CA Kinney discussed funding options for both water and sewer projects. The City should look at several options: (1) separate water, (2) separate sewer and (3) a combined water/sewer financing package. He suggested the City staff meet with Business Oregon's IFA staff to discuss funding options.

Councilor Czarnik asked about income levels for Aumsville – CA Kinney reported Aumsville's 2010 Census median household income was very close to the state average. However, Aumsville has 53% low and moderate income residents and may be eligible for project funding from the Community Development Block Grant program.

Councilor Casarez questioned whether the water rates would have to go up for a Community Development Block grant and Dave said they will be looked at and talked about some of the options available for financing and how important it is to get the finance options together so they can consider the best course. He explained IFA looks at city eligibility for different financing programs. Loans and grant funding tends to go hand in hand.

Councilor Lee asked what action is needed to move forward. CA Kinney explained that the first step is to meet with state IFA staff to review funding options. He asked Councilors

what were the priorities in prior discussions on water improvements. Councilors Seney and Czarnick and Director Osie noted the Water Tower well rehab, seismic retrofit of the Water Tower, repainting the interior of the water reservoir and the purchase/installation of an emergency generator were the highest priorities. Councilor Seney explained there was a decision to get the loans and then, once the city hall/police complex loan is paid off, use that money to pay off the loans for these improvements.

Councilor Czarnik asked about getting water rate increases in place and if an accelerated increase needs to come about. It was discussed and noted that there are annual increases now and it needs to be balanced versus the need to qualify for the funding.

Councilor Baugh asked about the Church Street upgrades to the water line and if that would be a good time for curb and sidewalk improvements as well as addition of electrical line. There was discussion of financing and where the funding could come from and why a combination of projects can sometimes be a very practical thing.

Mr. Kinney and Director Osie reviewed the identified Phase II and Phase III waterline improvements on the Master Plan map. Phase III projects include water lines in undeveloped areas of the City. These will be installed at the time of development, by the project developers. However, if the developer puts in 8 inch lines and a 12 inch makes better sense for the overall city improvement, the city will have to contribute to the additional cost.

CA Kinney talked about the necessity, when putting together these master plan documents, to identify how and when the funding is going to occur and to factor in an inflation factor.

Street visioning was discussed briefly, although it wasn't on the agenda. It was explained to council that the money being put aside for streets is a small drop in the bucket compared to the cost of needed repairs.

Aumsville is growing and financial planning for future street, water and sewer projects will need to be more strategic. Preparation of a detailed CIP would benefit the City. Fire Chief Isaak said that Aumsville is slated to grow at a rate of 4% each year for the next 20 years. CA Kinney talked about the number of homes that may be constructed in the next few years.

Councilor Walters asked for an explanation of the cost of sidewalk improvements and CA Kinney explained Bancroft bonding, local improvement districts and assessments to property owners for street, curb and sidewalk improvements. Historically city's that built streets or sidewalks, assessed all or a portion of the cost of the project to benefitting properties. This method of financing was abandoned by many cities in the 1980's and 1990's when project costs rose quickly. Mr. Kinney stated some cities share costs for street or sidewalk improvements, by creating a partnership between the city and property owners. Assessment projects are typically funded by the City and then costs assessed to the property owners. The problem is that cities do not have the reserves to pay for the

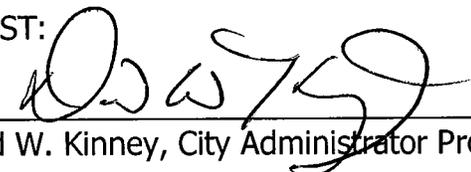
project and then get the money back from the property owner. They then talked about the cost of sidewalks and curbs. Councilor Baugh stated that we need to have engineering done.

CA Kinney shared that the Mayor's wife is not doing well and cards and words of encouragement would be appreciated.

OTHER BUSINESS: Darlene Safely – she and her son own a home together for 10 years and will be selling it now. Her son wants to return to Aumsville when he retires because they love Aumsville so much. She talked a bit about the wonders of Aumsville. She said that there is a big concrete bowl in the back yard. Trees are grown up and it disguised the actual property line. She is asking for help to clean up the trees. She wants the easement in the back to be identified and that there needs to be markers that can be found by the property owner to help them identify the boundaries. Director Oslie said he can probably help her find the markers. There was then discussion about the foliage and Ms. Safely's desire to get rid of it. Mr. Oslie told her maintenance of trees or landscaping within an easement on private property is the property owners' responsibility.

ADJOURNMENT at 8:41 pm without objection.


Robert Baugh, Jr., Mayor Pro-tem

ATTEST: 
David W. Kinney, City Administrator Pro-Tem